
**ACCOUNTING ROLES IN THE PROMOTION OF ENTREPRENEURSHIP
BUSINESS IN NIGERIA: IS THERE A RELATIONSHIP?**

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ABSTRACT:

Business organisation whether it is a micro, small, medium or large organisation, or it is in the form of sole trading, partnership, franchising, cooperatives or limited liability company need to keep accounting records, prepare books of accounts and gather accounting information for decision making with respect to operating into the foreseeable future. Accounting concepts and assumptions 'cum' its systems need to be in place for effective and efficient operations of the business. With respect to the aforementioned, this study seeks to examine the role of accounting in the promotion of entrepreneurship business-cooperative societies in Nigeria. The literature review covers its accounting concepts, systems and cooperative societies eclectic approach in Nigeria. The hypothesis raised was drawn from the research question-Is there a relationship between accounting and business promotion?. It touches on the importance of accounting in promotion of business. Its methodology pictures a systematic styles and methods employed in the study. Data are gathered and presented as well as analysed and interpreted with aid of percentages and chi-square statistic. The study sorts out findings and recommendations; and further areas of studies are suggested, which calls for greater innovation in businesses.

Keywords: Accounting, Cooperatives, Government and Systems.

I. INTRODUCTION

Business organisations without good accounting practices can hardly survive into the foreseeable future. Majority of entrepreneurship business in Nigeria that do not have good or standard accounting practices and procedures in place do not survive in its operations. Poor accounting practices kills so many entrepreneurship businesses in Nigeria. The Warri co-operative society is not far from this experience; the Warri co-operative society has no proper accounting system, as such there were bundles of financial problems in the society. There was no proper accounting records with respect to money borrowed, deductions of finished loans, inappropriate dividend ratios payout. However, these bundles of financial problems were resolved with the introduction of intrapreneurs who take charge of the books of accounts. The co-operative society members put together their capitals with respect to dividend sharing in the future. Improper financial management will give birth to members frustration and non-encouragement.

Business entrepreneurship be it, small, micro, medium or large(Money,2019) need to keep proper books of accounts because of their contribution to social economic development of the country with respect to job creation, promoting gross domestic products(GDP)and the birth of home based business.(Money and Odibo, 2016).

Every entrepreneurship business need to have good accounting system as a merit as it relates to decision making; profit determination, its solvency 'cum' analysis. It is the aim of this study to look at the extent to which accounting practices can lead to the promotion of business entrepreneurship. Our concern in this paper is the co-operative society as one of the form of business entrepreneurship(Money,2019).

A. Statement of the problem.

Entrepreneurship business need to grow, be in a stable state with respect to financial results and position, as such proper accounting practice need to be in place to gain it; and Global Industrial Revolution(GIR) requires proper accounting practices. Therefore, the study seeks to know the problems that may affect business promotion in Nigeria, especially co-operative societies. The problem in focus are:

1. The link between accounting practices and business promotion.
2. The link between accounting system and business financial standing.

B. Aim of the study

Business entrepreneurship need to put in place accounting practices for it to gain promotion in the foreseeable future; therefore the study seeks the contribution of socio-economic development and growth in the country. Thus, attention is paid to business survival and success; as such, it is opined that accounting practices carried out by accountants will be of great promotion. Sequel to the above, the aim of this study with respect to co-operative society are:

1. That accounting practices can promote entrepreneurship growth.
2. To investigate that accounting practices contributes to growth and promotion of entrepreneurship business.
3. That entrepreneurship business cannot survive without accounting practices of keeping books of accounts.
4. To look at the problems faced by business with respect to accounting practices and systems.
5. To look at the owners willingness or not to use accounting practices.
6. To looks at the accounting system and practices needed by business operations.

C. Hypothesis of the study

The implementation of accounting practices is a procedural aspect in all business; it gives promotion to enterprise as it relates to business results and financial standing. The following hypothesis were formulated:

1. There is no relationship between accounting practices and the promotion of Nigerian business enterprise.
2. No relationship exist between accounting system and its financial standing.

D. Scope of study

The scope of this study is restricted to cooperative society in Delta state, in particular, Warri cooperative society, Nigeria.

E. Limitation of study

This study is limited to Warri in Delta state, Nigeria and in particular Warri cooperative society, because cooperative societies share the same similarities and it is one of the forms of business entrepreneurship, and it has same native in the towns in Delta state, Nigeria.

II. LITERATURE REVIEW

A. Definition of Accounting

Accounting is defined as activity carried out by professional accountants and their assistants; as a system made up of many interrelated and interdependent parts; as a technique of management with respect to collective sense; 'cum' as a discipline of study. It is a process of handling economic and financial information that are useful and related to different areas(Anao, 2002). It can also be defined as a service activity; and it make

available quantitative information with respect to finance and economic entities for economic decision making among alternative course of action (Pandey, 2003).

Accounting is defined as the art of recording, classifying and summarizing in a significant manner and in terms of money, transaction and events which are, in part at least of a financial character, and interpreting the result thereof. It is also defined as the process of identifying, measuring and communicating economic information to permit informed judgement and decisions by its users (Millichamp, 1997).

B. Accounting Concepts, Conventions and Assumptions

Capital in cooperative society are contributed by members and it generates income; and it is the objective of accounting to measure capital and income. Both capital and income are related in a symbiotic way (Anao, 2002). It is through capital, cooperative society generates income, and it is income that gives value to capital. However, to measure income and capital poses great difficulties in cooperative society, as such to overcome these difficulties use is made of accounting concepts, conventions, assumptions and principles. These concepts are fundamental to the preparation of books of accounts and financial statements for cooperative society. These concepts, conventions and assumptions set the rules for accounting in business entrepreneurship. The principles, concepts and conventions includes:

1. Business entity concepts
2. Money measurement concepts
3. Historical cost principles
4. Going concern convention
5. Periodicity or continuity concepts
6. Realization conventions
7. Matching conventions
8. Accruals conventions
9. Conservatism or prudence conventions
10. Consistency convention
11. Materiality concepts
12. Dual aspect concept
13. Substance over form concepts

C. FUNCTION OF ACCOUNTING

In business entrepreneurship, accounting performs basically three functions with respect to providing information to users and there are;

1. Identification and gathering of data
2. Carries out measurement function: money values e.g. Naira.
3. Communication of information to its users via statements and reports.

It helps to reduce uncertainty in business entrepreneurship. (Pandey, 2003) (Roger, James & Jefferson, 2013).

D. ACCOUNTING SYSTEM, TYPES AND OBJECTIVES

Accounting system is defined as the mechanism for gathering and communicating data to the end users with respect to decision making to meet objectives of business entrepreneurship (Ama, 2001). Accounting system provides information for the internal and external group.

Accounting system can also be defined as the collection and providing of information. It is also the gathering, classifying, analysing, interpreting and communicating of data

information and its users are: Owners, Creditors, Managers, Employees, Customers, Suppliers, government and society. (Pandey, 2003).

Accounting system is made up of two types:

1. Manual accounting system
2. Computerised accounting system. (Ama,2001; and Meigs and Johnson, 1977)

Accounting system have the following objectives:

1. It is a means to achieve effective control
2. It is to expose all firms opportunities and indicates all possible action when needed
3. It helps to pinpoint out problems: potential or real to be faced by the business.
4. It help to facilitate the process of planning and control
5. It help to gather, measure and communicate financial information to users with respect to decision making
6. It help to keep business financial score
7. It help to provide financial data for budgeting. (Pandey, 2003)

E. ACCOUNTING INFORMATION, OBJECTIVES, IMPORTANCE AND ITS USERS

Accounting information is defined as all meaningful data that are used for reporting, planning, control and decision making in the business enterprise activities(Millichamp, 1997)

It can also be defined as data organised for decision making in a special way. It enables management and other users to see in a clear terms the whole business enterprise.(Ama, 2001)

Its objectives to business entrepreneurship includes:

1. It aids efficiency
2. It is time based
3. It brings in discipline in the operation
4. It helps to solve problems
5. It is accurate and reliable
6. It is relevant to the users of the financial statements

It is not without importance, its importance includes:

1. It helps to assess the business strength
2. It is used by government to impose taxes
3. It helps private sectors to meet their set targets.

And its users includes: the owners, creditors, potential investors, employers and trade unions, customers and government.

F. BUISNESS ENTREPRENEURSHIP, TYPES, CHARACTERISTICS; IMPOTANCE AND CHALLENGES

Business entrepreneurship can be defined based on classification, it can be expressed as micro, small, medium and large organisation. They are different with respect to the number of intrapreneurs and cost of investment(excluding land). It can also be defined as a big or small, simple or complex, private or public, as it is related to the provision of goods and services. It includes all economic activities that generates profits.(Money, 2017)

Micro business is a business with not more than one million(₦1m) and its intrapreneurs not more than ten(10); the small business is a business having between one million and forty million Naira and between eleven and twenty five intrapreneurs(Money,2019).

Business entrepreneurship or entrepreneurship business is defined as a privately-owned enterprise or franchise that have up to say fifty intrapreneurs or may be less in Africa and Europe(Kocic, 2010)

The types of business entrepreneurship includes

1. Sole trader
2. Partnership
3. Franchise
4. Limited liability companies
5. Cooperative societies (Nwokolo and Money, 2019)

Business entrepreneurship is filled with the following characteristics in Nigeria

1. The issue of ownership
2. The raising of financial capital
3. The control and management of the enterprise
4. The sharing profit among owners
5. There is no liability with member who have fully paid
6. It is separate and distinct-Legal personality (Nwokolo and Money, 2019)

Business entrepreneurship is very important with respect to its roles to the economy and it includes:

1. It is one of the major sources of employment
2. It reduces the rate of rural-urban migration
3. It serves as centre for training entrepreneurs
4. It increases government earnings
5. It increases the balance of payment ratio in the economy
6. It uses local raw materials and labour (Akpanenua, 2001)

Inspite of all the importance to the Nigerian economy, Business enterprise are faced with the following challenges:

1. Poor location of business
2. Lack of business product pricing
3. Incompetency of business manager
4. Lack of funding capital
5. Inability to meet or exceed customers requirements
6. Unable to employ qualified staff
7. Lack of financial discipline
8. Inability to implement policies
9. Obsolescence of business method (Chibundu, 2006)

III. METHODOLOGY

This study is an attempt to find solution to the question, Is there a relationship that exist between accounting roles and entrepreneurship business. It deals with the method and procedures with respect to research design, sources of data collection, population, sample area, research instrument and method of data analysis.(Nnadi, 2004).

The study is carried out in Warri oil city in Delta state, Nigeria. The research population is the Warri cooperative society in Delta state, where it is used as a sample to generalised the

whole economy. Warri cooperative society was selected because of the peculiar nature of cooperative societies in Nigeria; and it is one of the most viable cooperative in Delta state, Nigeria. This study adopted thirty(30) members and the bookkeepers of cooperative society.

The data collected were analysed, and chi-square test was used to test the hypotheses; as a non-parametric test. (Lucy.T., 2002)

IV. DATA ANALYSIS

The data for this study are collected via questionnaire and personal interview; and there are presented, analysed, and implications are discussed and from the test of hypotheses inferences were drawn. The study uses percentages to present the data as it relates to the link between accounting system and business entrepreneurship used is made of hypotheses, which is referred to as educated guess subject to empirical/statistical testing (Egbule & Okobia, 1998)

Table 1: The link between accounting practice and business promotion

OPTION	SCORE	PERCENTAGE
YES	26	87%(0.87)
NO	4	13%(0.13)

Source: Field Survey (2021)

Table 1 shows that eighty seven percent of the respondents were of the view that there is a link between accounting practices and business entrepreneurship promotion; while only thirteen percent objected.

Table 2: Link between accounting system and business financial position.

OPTION	SCORE	PERCENTAGE
YES	28	93%(0.93)
NO	2	7%(0.07)

Source: Field survey(2021)

Table 2 shows that ninety three percent of the score i.e. respondents were of the view that there is a great link between accounting system and business financial position; only seven percent objected.

HYPOTHESES TESTING

This study uses chi-square as a statistical means to test the belief and it is based on variables. It is expressed as $X^2 = \frac{O-E}{E}$, and is tested at five percent(5%) level of significance, which implies that the study is sure at ninety five percent(95%)

- 1) That no relationship exist between accounting practices and promotion of business enterprise in Nigeria

The below table 3 gives the observation and expectation as well as computation value tested at five percent(5%) level of significance and its degree of freedom is $(r-1)(c-1)$, where r is row and c is column. Thus; we have degree of freedom as $(2-1)(4-1)=3$

Table 3: Chi-square computational Table

OBSERVATION	EXPECTATION	DIFFERENCES	DIFFERENCE SQUARE	RESULT
(O)	(E)	(O-E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
16	17.33	-1.33	1.77	0.10
10	8.67	1.33	1.77	0.20
13	13.87	-0.87	0.76	0.05
13	12.13	0.87	0.76	0.06
4	2.67	1.33	1.77	0.66
0	1.33	-1.33	1.77	1.33
3	2.13	0.87	0.77	0.36
1	1.87	-0.87	0.77	0.41

Chi-square(2)..... 3.17

source: Authors computation (2021)

From the chi-square distribution table, we have 7.815, and is the critical value(Yomere and Agbonifoh, 1999).

The decision rule is that, if the calculated value is less than the tabular value, we accept that there is no relationship between accounting practices and business enterprise promotion in Nigeria; or otherwise there is a relationship.

The calculation above indicates that chi-square(2) 3.17 is lesser than the critical value of 7.815, as such we accept that there is no relationship between accounting practices and the promotion of business enterprises in Nigeria.

2) That no relationship exist between accounting system and its financial standing.

Table 4 provides the observation and expectation 'cum' its calculated value tested at five percentage(5%) level of significance and its degree of freedom as 3.

Table 4: Chi-square computation for financial standing

OBSERVATION	EXPECTATION	DIFFERENCES	DIFFERENCE SQUARE	RESULT
(O)	(E)	(O-E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
15	15.6	-0.6	0.36	0.02
11	10.4	0.6	0.36	0.03
13	13.87	-0.87	0.76	0.05
13	12.13	0.87	0.76	0.06
3	2.4	0.6	0.36	0.15
1	1.6	-0.6	0.36	0.23
3	2.13	0.87	0.76	0.36
1	1.87	-0.87	0.76	0.41
2				1.31

Source: Author's Computation, (2021)

The computational value for ² is 1.31 and its tabular value is 7.815 at five percent level of significance of 3(three)degree of freedom.

Since 1.31 is lesser than 7.815, we therefore accept that there is no relationship between accounting system and business financial standing in Nigeria cooperative society.

From the data gathered and analysed as well as tested we observed that business entrepreneurship in Nigeria especially cooperative society do not carry out accounting practices and no system is maintain in keeping books of accounting, as such the test

support that there is no link between the promotion of business enterprises and accounting practice; also there is no link between accounting system and their financial standing.

However, fallout from oral interview, shows that there is a positive show of relationship between the variables as agreed by the cooperative executives. They agreed that accounting practices play great roles in the promotion of business in Nigeria; and of the view that, its helps to ascertain the financial standing of the business. They agreed that accounting practices is the back bone of business cooperative society in Nigeria.

V. FINDINGS

This study revealed from the data analysis the following:

- That some business entrepreneurs or enterprise do not keep proper books of accounts especially the cooperative society.
- Fallout from oral interview indicates that accounting practices have contributed to high growth in Warri cooperative society and vital to its operations.
- That business entrepreneurs can only grow with respect to effective accounting system.
- That good accounting practices do assist in the keeping of records in business enterprise.
- That the application of accounting practices and system was born from members complaints.
- That cooperative society can only survive into the foreseeable future with good accountants and bookkeepers.
- That it is good to audit cooperative books of accounts, so as to have a true and fair view of the society.
- That the salaries and wages do not affect the growth of the cooperative society in Nigeria.

VI. CONCLUSION AND RECOMMENDATION

This study actually is concerned with whether there is a relationship between accounting practices, its systems and business promotion, because accounting practices helps to ascertain business financial standing and growth 'cum' transparency.

We conclude from this study the following:

- That accounting practice is vital for the proper functioning of business cooperative society.
- That the planning processes in cooperative society becomes easier with accounting practices.
- Accounting data collected assist management of the cooperative business to make better decision.
- Good accounting system in cooperative society provides information to members, on the financial position and helps in investment decision making.

And this study is not without recommendation, the researcher however, provides the following recommendations:

- There is need to always carry out internal and external on the books of accounts, so as to detect frauds and misappropriations.

- The federal government of Nigeria need to enact laws that regulate and enforce accounting practices in business enterprises.
- They should be enlightenment campaign to business owners on use of proper accounting practices via workshops and seminars.
- Bookkeepers and accountants need to be involved in all financial making decisions of business enterprises.
- There should be on the job training for business cooperative staff with respect to effectiveness, efficiency and book keeping records.
- Federal government should enact laws to sanction business who fail to keep proper accounting processes in place especially registered businesses.
- Businesses should employ well trained bookkeepers and accountants with respect to managing the accounting system.
- All businesses should keep all the prime book of accounts.

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